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91-13 AMO's Response To: A Housing Framework for Ontario

Association of Municipalities of Ontario
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MISSION STATEMENT

AMO unites Ontario's municipalities.

We take pride in promoting, supporting and enhancing strong and effective municipal government.

We provide strategic leadership by:

- developing and effectively promoting responsive quality policy;
- informing and educating governments, the media and the public;
- marketing innovative and beneficial services.

Our elected representatives, municipal officials and association staff form a team which values and respects:

- diversity and local autonomy;
- fairness and equity;
- consultation;
- consensus;
- co-operation.

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EXECUTIVE SUMMARY

In June 1991, the provincial government released its consultation paper *A Housing Framework for Ontario* to review its housing programs and expenditures towards developing a "coherent, integrated and flexible approach to meet Ontario's housing requirements." The consultation paper raises several questions which AMO has responded to from the perspective of the many different roles municipalities perform in housing. These include the delivery of non-profit housing and housing rehabilitation programs; the planning and development and approvals function; and, the preparation of Municipal Housing Statements. AMO supports the overall objective of developing a comprehensive and integrated framework for housing programs. AMO's key concerns and positions about the housing framework outlined in the consultation paper are summarized below.

Clarify Relationships Amongst All Sectors of the Housing Framework

The provincial government states in the consultation paper that one of its fundamental principles is that "responsibility for the provision of housing is shared among all levels of government and among all sectors of Ontario's economy and society." In fulfilling this, AMO believes that a housing framework for Ontario should foremost clarify the roles and responsibilities of all governments and sectors (not-for-profit and private). In its current form, the consultation paper focuses only on clarifying the place and status of the not-for-profit sector within a housing framework.

Municipal Sector

AMO believes that the roles and responsibilities of the provincial and municipal governments in the overall housing framework which results from this review need to be clarified. Therefore, AMO recommends that further discussion between the two levels of government is necessary.

This is particularly important given that the paper looks at options for creating greater local decision-making in the development and management of housing, and basing government spending on an overall housing strategy for communities, not on a program-by-program basis. For example, Municipal Housing Statements are seen as one option for creating the necessary

information base for need determination. Also, the implementation of the provincial policy statement on land use planning for housing is suggested as one means of planning for housing. However, AMO believes that issues surrounding the Policy Statement require further work and discussion. For example, numerous impediments to the successful implementation of the Policy Statement continue to persist and remain unaddressed such as the need to provide municipalities with the necessary legislative authority to meet affordability goals (e.g., authority to zone for maximum lot and unit sizes).

AMO also believes that the Province should provide support and encouragement to municipalities already involved in housing. The provincial government should recognize the expertise of municipal governments and provide incentives for more involvement. Examples of incentives include giving greater flexibility and autonomy in the administration of housing programs to municipal governments. In line with this, AMO recommends that, where requested, the Province should delegate program delivery responsibility (for all housing programs and including allocations) to upper tier municipalities where they exist.

Private Sector

AMO also believes the provincial government needs to clarify the place of and its relationship to the private sector in the provision and delivery of affordable housing. AMO agrees that non-profit housing is the major means of ensuring a stock of long-term affordable housing for low and moderate income households. However, the private sector should be a part of this housing framework, and therefore more consideration of private sector incentives and supports is required. For example, AMO supports the objective of recognizing the value of the existing stock of buildings as the greatest resource for affordable housing (private and not-for-profit) provided the necessary policies and programs exist to implement it. AMO believes that the consultation paper does not give sufficient emphasis to reviewing maintenance and rehabilitation issues and programs, and therefore this objective has not been adequately addressed. AMO recommends that reviews of these programs is a necessary next step.

Non-Profit Sector

The Ministry of Housing should be commended for its thorough review of non-profit housing programs and issues. It is not possible to summarize here AMO's response to the numerous questions and options. However, two of AMO's key positions are: encourage municipalities to establish municipal non-profit housing corporations where there is a need and demand and where other agencies are not serving this demand; and assign responsibility for supportive housing services to one lead ministry, the Ministry of Housing, which would then also have responsibility for coordination with other ministries (e.g., Community and Social Services).

1 Introduction

Provincial Government Housing Policy

One of the Ontario Government's top priorities is to ensure that all residents of this province have decent affordable accommodation. The government has established four fundamental principles to serve as the basis of this housing policy priority:

- Access to safe, secure and affordable housing, suitable to people's needs, is a basic human right.
- Housing is fundamental to individual and family well-being and to the quality of life in Ontario communities.
- Housing contributes significantly to the prosperity and stability of Ontario's economy.
- Responsibility for the provision of housing is shared among all levels of government and among all sectors of Ontario's economy and society.

Towards realizing these four housing policy principles the Ministry of Housing is moving forward with the following actions: introduction of rent control; the enhancement of quality of life in public housing; making better use of government lands for housing; the announcement of funding for 10,000 not-for-profit housing units in the April Provincial Budget; and, the development of a comprehensive housing framework.

In June 1991, the provincial government released its consultation paper *A Housing Framework for Ontario* to review its housing programs and expenditures towards developing a "coherent, integrated and flexible approach to meet Ontario's housing requirements."

The consultation paper focuses on public spending on new supply, rehabilitation and management of the existing stock in the private, public and non-profit housing sectors. The paper also looks at specific management and non-profit housing program improvement issues.

AMO's Response to the Consultation Paper

AMO's response to the consultation paper, *A Housing Framework for Ontario* concentrates on those issues and questions which impact on municipal roles and

responsibilities in providing sufficient and adequate housing to satisfy the needs of the present and future citizens of the Province of Ontario. In this response AMO has not followed the arrangement of issues and questions as presented in the consultation paper, but rather has reorganized these into the following main components of a housing framework: Part A addresses government priorities for supporting the private sector; Part B addresses the not-for-profit sector and the following issues: planning social housing; government partnerships in housing provision; program delivery; land supply and retention; building quality housing; managing quality housing; and, access to housing. For reference, the issues and questions addressed under a heading are indicated in brackets (e.g. 1.1 refers to issue 1, question 1, in the consultation paper).

Currently municipalities are involved in housing in the following ways:

- delivery of non-profit housing through municipal non-profit housing corporations;
- delivery of housing rehabilitation programs;
- provision of emergency housing;
- provision of land for housing;
- preparation of Municipal Housing Statements;
- planning and development and approvals function; and,
- the Land Use Planning for Housing Policy Statement.

In responding to the consultation paper, AMO has looked at the various issues and questions from the perspective of these many different municipal roles.

1.1 Policy Objectives

The consultation paper establishes nine policy objectives to serve as the basis for evaluating the extent to which solutions contribute to realizing the provincial government's four fundamental principles stated above.

AMO supports all of the policy objectives as a basis for future government action with some qualifications and with one addition.

In responding to the housing consultation paper it is necessary for the municipal sector to first frame its comments in the context of the current provincial-municipal disentanglement exercise. Currently policy, service management and funding for non-profit housing are a 100% provincial responsibility, with municipalities and non-profit agencies sharing delivery. The *Report of the Advisory Committee to the Minister of Municipal Affairs on the Provincial-Municipal Financial Relationship* recommends continuation of these roles and responsibilities. AMO also continues to support this arrangement.

Following each objective, a brief annotation summarizing the consultation paper's description is provided.

Objective 1

Increase access by individuals and families to adequate and affordable housing.

This objective basically calls for the provincial government to take the lead role to meet the housing needs of Ontarians. It also states that municipalities should be encouraged to participate in the development of new housing and preservation of the existing stock through intervention, education and regulation.

AMO's Response

AMO supports the objective as stated. AMO agrees with encouraging municipalities to participate through means such as financial and technical support, incentives, etc. AMO reiterates this in response to several of the objectives discussed below.

Objective 2

Strengthen and further develop the not-for-profit housing system and create opportunities for long-term or systemic change.

This objective supports a move away from the substitute or residual approach to not-for-profit housing towards a view of the not-for-profit sector as a permanent alternative to the market. This is said to require a commitment to housing families with a range of incomes including moderate income families.

This shift in emphasis assumes that an insufficient amount of private sector housing will be developed to meet expected housing needs. Therefore it is concluded

that housing needs will have to be met through an ongoing commitment to a level of annual non-profit housing production.

AMO's Response

AMO's position has been that the major means of providing housing for low and moderate income households is through the provision of non-profit housing. AMO therefore supports the not-for-profit sector as an integral part of the housing system and believes that the provincial government must both sustain the existing stock of non-profit housing as well as provide funding for the further development of non-profit housing to meet the needs of low and moderate income Ontarians.

Objective 3

In the development and management of new housing, government spending will be directed to community-based not-for-profit organizations to meet the government's housing goals. Programs will be directed at the private sector when they would best meet the government's housing policy objectives. Development by the provincial government could be used to increase supply on lands already held for public housing or where community based groups cannot respond.

This objective addresses four issues:

- that community-based organizations be the focus of providing and delivering not-for-profit housing;
- that there be tenant participation in decision-making;
- that the provincial delivery role should be only in the intensification of existing provincial public housing lands or where a community-based organization is not available to deliver housing to meet an identified local need; and,
- that support to the private sector should focus on non-financial benefits such as a supportive policy and regulatory climate, and through the provision of the necessary infrastructure to provide serviced land for housing.

AMO's Response

AMO would first like to clarify that the community-based sector (for delivery) includes municipal non-profit housing corporations.

AMO agrees that community-based organizations should be the focus of providing and delivering not-for-profit housing and that the provincial government should

only become involved in delivery where a community-based organization is not available to meet an identified local need.

Towards fulfilling the objective of a focus on community-based providers, the provincial government should actively support those municipalities which have demonstrated a commitment to the provision and delivery of non-profit housing; provide incentives to municipalities to become involved; and place a greater emphasis on community development.

The issue of private sector support raises two facets of government assistance: regulatory support and the provision of serviced land for housing. Clearly, both of these closely involve municipalities. This example raises a more fundamental issue which AMO believes must be addressed: the need to clarify the roles and responsibilities of the provincial and municipal governments in the overall housing framework which results from this review. It is particularly important to clarify roles and responsibilities given the principle stated earlier that responsibility for the provision of housing is shared among all levels of government. The consultation paper only touches on some responsibilities and therefore further discussion between the two levels of government is necessary.

Objective 4

In developing programs to create or manage housing programs in the long-term, create a high degree of independent decision-making for not-for-profit housing providers withir the framework of the good management of public funds.

The objective looks to strengthen the not-for-profit housing sector, giving it more autonomy within a framework of accountability.

AMO's Response

This objective has often been spoken about but little has ever materialized. It is AMO's hope that progress in this area can be achieved.

Part of the equation in enabling the not-for-profit sector to better manage and develop housing involves the consistent administration of programs by provincial staff within the local offices of the Ministry of Housing. Information on internal procedures, and clearer roles and responsibilities are necessary to meet this objective.

Furthermore, the provincial government should provide assistance to those municipalities who have the desire to become involved in the delivery of housing but do not currently have the capacity to do so.

Objective 5

Provide opportunities for the empowerment of individuals to obtain appropriate housing and to enable them to participate in decisions affecting housing.

This objective promotes access to housing by disadvantaged groups and the participation of tenants in decision-making.

AMO's Response

Part of this objective should acknowledge that for tenant participation to work, this will require the commitment of time, resources, and staff training. Existing programs do not account for these costs. Therefore, the objective should include that provincial government resources should be allocated to support the participation of tenants in decision-making.

Objective 6

Base government spending on housing on an overall housing strategy for communities, not on a program by program basis.

The objective states that the Ministry of Housing should agree upon housing goals with the community, particularly where there is another level of government directly involved and interested. In general, the objective looks to move towards approaches which permit flexibility for communities to meet their housing needs.

The objective states that a decision-making information system about the housing needs of a community has been put into place - the Land Use Planning for Housing Policy Statement which requires municipalities to collect the information needed to plan for its objectives and the Municipal Housing Statement program which provides grants to municipalities to collect the information needed to determine their housing needs.

AMO's Response

In principle, AMO agrees with the objective of basing government spending on a community's overall housing needs and objectives rather than on a program-by-program basis.

This supports AMO's past position that the diversity of housing problems and environments across the Province requires a diversity of responses, and, consequently, proposals for one-program solutions for all communities are inappropriate. A coordinated package of programs would provide the flexibility of choosing the best solution for local needs.

However, AMO believes that in meeting this objective, and given the focus on the role of municipalities in producing the information base for determining community housing needs, the following issues need to be resolved:

- In the Association's response to the Draft Housing Policy Statement, AMO stated its concern that on a practical basis there lacked clarity as to whether the requirements of the Policy are to be implemented by upper or lower tier municipalities. The consultation paper also fails to clarify this issue. AMO continues to support its position that the determination of need should be based on the jurisdiction of the upper tier levels of municipal government, where they exist.

  Furthermore, if the Policy Statement is to serve as the base of information, then the problems municipalities are currently facing in implementing its requirements need to be first addressed. This is discussed in greater detail later in this response.

- A funding system based on overall community needs requires that provincial policy priorities and delivery rules are clearly defined and stated.

Objective 7

Ensure that government funds are used effectively to address the housing needs of the people of Ontario.

The objective states that housing assistance should be cost-effective both physically (in terms of building life span and program costs) and socially (in terms of its capacity to maximize the effectiveness of expenditures to reduce human and social service costs by creating a supportive community environment). Cost-effectiveness should also include evaluation of the impact on the environment or energy conservation.

AMO's Response

AMO supports the objective and believes that the following issues need to be addressed:

- As stated above, cost-effectiveness should not only be measured in physical terms, but also in social terms (a supportive community can reduce human and social service costs). This requires that the Province sort out the problems which have been created as a result of the lack of co-operation and co-ordination amongst the various ministries involved in supporting the social service and housing needs of the individual.

- The provincial government needs to take into account that other measures of cost-effectiveness may require the commitment of additional government resources.

- Cost-effectiveness should also incorporate the value of long-term affordable housing support to communities.

Objective 8

Recognize that the stock of existing buildings are the greatest resource for affordable housing by preventing the deterioration of the existing built environment and exploring opportunities to create new housing from existing buildings.

The consultation paper notes that the preservation and intensification of the existing stock can be the most cost-effective means of government housing policy. It is noted that greater emphasis is required to protect the existing stock because the cost of funding supply alternatives would be greater (ie. this form of subsidy is more cost-effective); or as the paper states, the value of this stock must be recognized through adequate and on-going maintenance.

Later in the paper, it is noted that the existing supply is deficient and therefore support is needed to ensure that not only is an adequate supply provided but also adequate housing. For example, the paper notes that in 1989, 29% or an estimated 349,000 of Ontario's rental units were identified by occupants to be in need of repair. Also, it is reported that privately-held housing represents one of the province's largest sources of affordable housing.

AMO's Response

AMO supports this objective (for private and not-for-profit housing stock) provided the necessary policies and programs exist to implement it. AMO believes that the consultation paper does not give sufficient emphasis to maintenance and rehabilitation issues and therefore this objective has not been adequately addressed.

Objective 9

Actively support a government-wide agenda in environmental stewardship, economic development and social justice.

The objective states that a housing framework should support other provincial objectives such as a clean healthy environment, energy efficiency, water conservation, and a better integration of marginalized and institutionalized individuals into the community.

AMO's Response

It should be acknowledged that municipalities also use planning of not-for-profit housing as a means of meeting other public policy objectives.

Furthermore, it should also be recognized that each objective adds costs and may detract from the primary objective of providing social housing. Therefore, the Association supports the objective provided that financial resources are allocated to cover the costs of supporting a government-wide agenda.

Additional Objective Recommended by AMO

A housing framework for Ontario should include the private sector which continues to be a major supplier of affordable housing. Government policies and support should also be directed to strengthen and further develop private housing (rental, affordable ownership, and other tenure alternatives) as part of Ontario's housing system.

AMO believes that a housing framework for Ontario should clarify the place of all sectors of the market place - not-for-profit and private. In response to objective three, AMO called for the clarification of the roles and responsibilities of the provincial government and municipal governments in a housing framework. Similarly, AMO believes the provincial government needs to clarify the place of and its relationship to the private sector in the provision and delivery of affordable housing. In its current form, the consultation paper focuses on clarifying the place of the not-for-profit sector

within a housing framework and remains ambiguous and unclear as to the place of the private sector.

In this response, AMO has noted the lack of sufficient emphasis on the private sector. This comment is applicable to maintenance and rehabilitation of the existing stock and the development of new stock (of alternative tenure forms). AMO agrees that non-profit housing is the major means of ensuring a stock of long-term affordable housing for low and moderate income households. However, the private sector should be a part of this housing framework, and therefore more consideration of private sector incentives and supports is required.

PART A - THE PRIVATE SECTOR

1 Government Support and Housing Expenditure Priorities for the Private Sector

In addressing government support for the private sector, it should first be acknowledged that given the limited public dollars available for housing, subsidy priorities should be spent on non-profit housing which achieves the objective of maintaining long-term affordability.

There are primarily two forms of support to the private sector addressed in the consultation paper: the rehabilitation and intensification of existing private rental stock; and support for affordable home ownership.

Private Housing Rehabilitation and Intensification

AMO believes there is justification for subsidies to the private sector through the maintenance of existing buildings, housing intensification and helping people remain in their existing homes (as opposed to institutions; for example, support to seniors for the rehabilitation of their homes).

Affordable Ownership Housing

AMO believes that the form of government support to ownership housing should not be through ownership subsidies but rather though improvements in financial and planning mechanisms to enhance affordability. While the consultation paper states that the framework is not intended to include ways in which the planning system can be modified to achieve increased supply or affordability, several issues and questions related to this are raised and need to be addressed:

- The Land Use Planning for Housing Policy Statement is referred to under several issues. The Policy Statement sets as an objective that 25% of land be set aside for affordable housing to be produced by a combination of the private and non-profit housing sectors.

- Secondly, alternative affordable ownership models (e.g. limited equity co-operatives through the use of financial and legislative changes) are discussed as possible mechanisms of ensuring the long-term affordability of ownership housing.

- Thirdly, for some communities, affordable ownership housing may be the only appropriate means of providing housing assistance. For example, while core need can not be demonstrated in some communities, a demand and need for affordable housing can. Therefore affordable housing options such as equity co-ops may be the only appropriate means of housing support to these communities.

AMO therefore believes that affordable home ownership needs to be addressed within the housing framework.

2 Recommended Priorities for Supporting the Private Sector

Maintain Discrete Programs

As stated in the introduction, AMO supports the objective to create a framework for housing where funding is based on an overall housing strategy for communities not on a program by program basis. However, within such a framework it is necessary to maintain discrete programs in order to avoid confusion and competition between programs for non-profit housing vs. those in support of private rental housing (e.g. keep equity programs discrete from non-profit housing programs).

Furthermore, AMO believes that there is a need to review individual programs and their guidelines.

As indicated in response to objective 8, AMO believes insufficient emphasis has been placed on rehabilitation and intensification programs and issues. The consultation paper focuses on specific management and program improvement issues related to non-profit housing programs. AMO believes that rehabilitation and intensification programs also require such a review.

For example in 1988, AMO's Sub-committee on the Ontario Home Renewal Program worked with representatives from the Ministry of Housing on the review of OHRP guidelines. It was the intention that this review would make the Program as simple as possible, especially for smaller municipalities by eliminating the complicated forms used by the Province. It was also hoped that a new revised program would be more flexible, allowing municipalities to set the

guidelines regarding limits and the repayment schedule with the option of leaving more money in the recycling fund. Appendix A provides a summary of some of these issues.

Despite extensive work and consultation, no actions were taken towards finalizing and implementing any changes to the Program.

AMO recommends that reviews of existing programs be undertaken and that the Association be involved in this process. Appendix A summarizes some of the reasons which demonstrate a need to review these programs towards improving their delivery and management.

2.1 Support Private Sector Rehabilitation (4.1)

AMO agrees that the provincial government should expend funds to rehabilitate or maintain private sector rental and ownership buildings through the following means:

- Continue and expand the funding of private rehabilitation programs to protect affordability and the physical integrity of housing (e.g. LRRP, OHRP). In addition, as mentioned above, revisions to the guidelines for these programs are necessary to achieve these objectives.

- Support expenditures to undertake structural modifications to existing privately held accommodations to enable persons to continue to live independently. Therefore, need to promote independent living for physically challenged individuals through program funding to LRRP-D and OHRP-D.

- Establish a high-rise rehabilitation program. There is a large, pent-up need for capital repairs in the high-rise stock which will require substantial support to preserve.

- There is a need to address problems related to the fact that some programs for rehabilitation of the physical stock are under the jurisdiction of other ministries (e.g. MCSS). These should be

under the umbrella of the Ministry of Housing which should take the lead in coordinating all supportive housing programs.

How to ensure maintenance and viability of private rental stock (4.7)

This question looks at the means of ensuring that the existing private rental stock is maintained at a level which ensures its continued viability. As stated above, AMO supports the continuation, expansion and addition of new rental housing rehabilitation programs (LRRP etc.). In addition, other possible means are suggested in the consultation paper which look at possible legislative changes to ensure the maintenance of private rental stock:

- Regarding property standards, AMO would like to reiterate the following positions stated in the Association's response to the discussion paper, *Rent Control: Issues and Options*:

  - In recognition of the importance of local demands being reflected in local by-laws, AMO supports the continuation of the existing system where municipalities have permissive authority to pass and enforce property standards by-laws. The provincial standards should only apply to those municipalities which choose not to have property standards bylaws. AMO also agrees that municipalities should be encouraged to pass and enforce their own property standards by-laws.

  - The Association also welcomes more effective powers of entry and repair and an increased ability to recover costs or repairs undertaken on an emergency basis.

  - The Association stated concerns about elevator repairs and maintenance and the need to amend legislation to provide for the power to issue work orders for the repair of elevators.

- AMO does not support the development of legislation to require municipalities to set out building performance standards.

- AMO would like to reserve comment on the option of developing standards for existing buildings through the legislative mechanism established by the *Building Code Amendment Act*, 1991. AMO will be responding to this legislation in a separate document.

How to ensure adequate and affordable housing (3.5, 4.1)

The consultation paper questions how to guarantee that private rental housing rehabilitation which receives government support will continue to provide affordable accommodation. In a corollary question the paper then asks whether the government should make expenditures in the first place to assist in the rehabilitation of privately held buildings to provide affordable accommodation.

As stated above, AMO supports government assistance for the rehabilitation of the existing rental and ownership housing stock. AMO questions the ability of any of the measures suggested in the paper as ways of guaranteeing long-term affordability. It must be recognized that long-term affordability can only be effectively achieved through non-profit long-term ownership. However, the rehabilitation programs are necessary and important to maintain the existing housing stock and in therefore ensuring adequate rental and affordable housing.

2.2 Support Private Housing Intensification (4.2)

AMO supports the intensification of existing privately held housing as one of the most cost-effective ways to meet intensification goals. However, as stated in its response to the Draft Housing Policy Statement, AMO believes that decisions on housing intensification policies should be the responsibility of municipalities. The Policy Statement already requires municipalities to address housing intensification and therefore municipal responses to this requirement will deal with the most appropriate policies for municipalities. Issues concerning the Policy Statement are discussed in a separate section of this response.

The following housing intensification alternatives are examples of policies AMO supports:

Conversions	• Emphasis should be placed on those programs which create additional stock (e.g. convert-to-rent). Necessary funding should be allocated for the rehabilitation and conversion of the existing housing stock or conversion of non-residential to residential uses (4.2).
	• The provincial government should review the impact of development charges on the objectives of conversion programs.
Residential Site Intensification	• Support should be provided for main streets programs, infill housing, and granny flats (subject to the resolution of regulatory issues related to this form of housing).
Structural Modification Options	• Programs such as the add-a-unit program are needed again to permit additions which are not self-contained units.
Better Use of Existing Housing without Physical Modification	• More resources should be allocated to programs supporting shared accommodations such as through the home sharing program and housing registries. Regarding the home sharing program, participating municipalities currently contribute financially. AMO believes that like other housing programs municipal funding should not be required.
Support to and Role of Municipalities in Housing Intensification	• Support study grants and assistance to municipalities to encourage intensification.
	• Encourage municipalities to have comprehensive housing strategies, part of which should include intensification policies. However, as stated earlier, housing intensification policies should be determined by the municipality. Issues and comments on the enforcement of the Policy Statement as part of overall Housing Statements for communities are addressed in a later section of this response.
Rent Supplements (4.6)	Through the rent supplement program, private landlords receive the difference between geared-to-income rents (25% of income) and the full rental rates, which are

negotiated between the landlord and the Ministry of Housing.

AMO's past position has been that in certain situations there is a place for a rent supplement program as well as a shelter allowance program. Furthermore, AMO has supported that such programs should be viewed as components of a package of programs. AMO therefore supports rent supplements to individual consumers on a short-term basis.

Best means of Delivering Rehabilitation and Intensification Programs (9.6)

Currently different organizations deliver these programs. The delivery mechanism varies from program to program and each of the programs is often delivered as a separate initiative.

AMO does not support delivery exclusively through the provincial government as this would ignore local needs and conditions.

The possible strategy of municipal offices providing a "one-stop window" access for all intensification and rehabilitation programs is worthy of further discussion. The paper states that existing programs or any new programs would be combined with proposed housing initiatives into a single funding package (eg. LRRP, OHRP) and municipal delivery agents would have the ability to select the "mix" of programs related to the existing housing stock most suited for their communities.

In cases where a municipality chooses not to be involved in the delivery of the programs, then provincial administration should occur.

One of the options presented is that new regionally centred offices be created combining Ministry of Housing regional housing program offices, LHA's, and Rent Review. This would provide a one-window access to all programs for clients and tenants for all issues related to provincial housing matters. AMO does not support this option. AMO questions the benefit of combining programs which serve clients with different needs. Also, it is doubtful that all of these programs could be delivered through one office.

PART B - THE GOVERNMENT SECTOR

1 Government Partnerships in Housing Provision

The consultation paper states that an overall objective is the achievement of a genuine working partnership between the Province and the other levels of government. The following questions are addressed regarding the roles of the federal and municipal governments.

1.1 Role of the Federal Government in Non-Profit Housing (6.2)

The consultation paper notes that the federal government role in non-profit and co-op housing has been declining in recent years through capped funding commitments which, when combined with increased in production costs, have resulted in shrinking allocations under the federal/provincial non-profit program.

AMO agrees with the consultation paper's suggestion that the federal government should be lobbied to expand its participation in housing.

1.2 Role of Municipalities in Non-Profit Housing (6.3)

The consultation paper recognizes the following important roles of municipalities in the provision of housing:

- delivery of non-profit housing;
- delivery of housing rehabilitation programs;
- provision of land for housing;
- provision of emergency housing;
- preparation of Municipal Housing Statements;
- planning and development and approvals function; and,
- the Land Use Planning for Housing Policy Statement.

The paper also recognizes that municipalities are well-equipped to respond to specific needs of local communities and also notes that it is important to

recognize the lead role that municipalities should be playing in housing and that this role should be fostered.

AMO believes that there are three main areas which need to be addressed with respect to the role of municipalities:

- clarification of provincial-municipal roles and responsibilities;
- support to municipalities; and,
- issues related to the Land Use Planning for Housing Policy Statement.

Clarification of Roles and Responsibilities

As stated in AMO's response to the objectives, there is a need to clarify the roles and responsibilities of the provincial and municipal governments in the overall housing framework which results from this review.

Support to Municipalities

AMO believes the Province should provide support and encouragement to municipalities already involved in housing. The provincial government should recognize the expertise of municipal governments and provide incentives for more involvement. Examples of incentives include giving greater flexibility and autonomy in the administration of housing programs to municipal governments.

AMO also agrees with encouraging municipalities to establish municipal non-profit housing corporations where there is a need and demand and where other agencies are not serving this demand.

Delegation of Authority

As a specific support to municipalities and in recognition of their extensive involvement in some cases, further authority should be delegated to municipal governments where requested. A study prepared in November 1990 for the Ministries of Housing and Municipal Affairs documented some of the advantages of allowing specified regional municipalities to set region-wide affordable and assisted housing targets and standards for application under the Housing Policy Statement:

- It would serve to target municipal policies to housing market needs and ensure that local policies are consistent with overall market conditions and the distribution of housing needs

within the market area, as well as local variations in housing circumstances.

- It would assist in disentangling the provincial government from direct day-to-day supervision of local activities and would be consistent with the overall approach taken to the delegation of planning responsibilities.

- The report notes that establishing regional jurisdiction would ensure that affordable housing matters are dealt with on the basis of actual housing market needs and objectives rather than simply on the basis of local sub-markets. This is provided for implicitly in the Policy Statement, however the Policy Statement does not provide directly for suitable coordination. AMO supported, in its response to the Draft Housing Policy Statement, that planning for the total housing demand based on the jurisdiction of the upper tier level of municipal government should be sufficient to deal with planning for a shared responsibility for the broader affordable housing needs outside local municipal boundaries. The same could be said with respect to the setting of regional housing targets.

Therefore, AMO recommends the following: where requested, the Province should delegate program delivery responsibility (for all housing programs and including allocations, as discussed later in this response), to upper tier municipalities where they exist. As part of this delegation, the Province should also establish delegation authority (ie. sub-delegation to local municipalities) for delivery to municipalities within a clear policy statement which includes criteria for program delivery. However, it should be recognized that some responsibilities, such as technical reviews, would continue to be most efficiently delivered centrally.

Land Use Planning for Housing Policy Statement

An important part of the municipal role in housing is identified in the implementation of the provincial policy statement on land use planning for housing.

As stated throughout this response, AMO believes that issues surrounding the Policy Statement (which is identified as the major vehicle for the provision of land and housing supply) requires further work and

discussion. For example, numerous impediments to the successful implementation of the Policy Statement continue to persist and remain unaddressed. AMO, in its response to the Draft Housing Policy Statement, noted some of these: the lack of provincial commitment to provide adequate funding for the development of the municipal infrastructure necessary to achieve land supply goals; the inclusion of second units within the *Assessment Act*; and, the need to provide municipalities with the necessary legislative authority to meet affordability goals (e.g. cost and price through zoning and subdivision agreements; authority to zone for maximum lot and unit sizes; cash-in-lieu of affordable housing).

At this time AMO would like to flag this issue and compel the provincial government to acknowledge the integral place that the Policy Statement has in achieving many of the housing framework goals set out in this consultation paper. The issue is obscured within the document and avoided, and therefore remains to be fully addressed and debated.

PART C - THE NOT-FOR-PROFIT SECTOR

1 Planning Social Housing

1.1 Determination of Funding Priorities

Determination of Number of Units to be Assisted (1.4, 7.1)

The need for housing should be the determination of overall funding and inter-regional funding, taking into account the essential program requirement for income integration which recognizes that needs extend beyond very low income households.

Distribution of Units Amongst Housing Providers (7.2)

AMO has no position on what the proportionate distribution of unit allocations should be amongst the different parts of the non-profit sector (co-op, municipal non-profit and private non-profit). However, AMO supports that allocations to the private non-profit sector should only be to "bona fide" non-profit housing providers.

Tenure types (1.2)

The paper questions what should be the priorities for alternative tenure types and whether the government should fund home ownership models. The tenure types identified include for-profit rental, non-profit rental, non-profit co-op, equity co-op, home ownership, limited return-on-equity ownership (a combination of ownership and non-profit).

Some of the possible solutions to this question suggest various forms of affordable home ownership models as potential tenure forms for housing assistance/subsidy. As discussed previously under the private sector, AMO supports including alternative tenure types in a housing framework. However, the form of support should not be through public subsidies which should go to those most in need and towards long-term affordable non-profit housing. The support of various forms of affordable home ownership should occur through other mechanisms, such as land use planning and other government financial incentives.

The need to incorporate various forms of affordable home ownership within the housing framework is particularly evident when addressing the

special circumstances of rural and small communities. First, need assessments are based on urban markets which encompasses rural areas. Often this results in the relocation of individuals from rural communities to urban areas in order to be accommodated in non-profit housing. There need to be housing approaches for allowing individuals (e.g. seniors) to stay within their rural or smaller communities.

It must be recognized that need is sensitive to location and that while core need can not be demonstrated in some communities a demand for affordable housing can. Therefore, flexibility is required in order to appropriately respond to rural or small community needs. Flexibility requires recognition in current program guidelines of the limitations in rural areas for non-profit housing. For example, if it is not possible to meet the required proportion of deep core tenants, then solutions such as higher proportions of market rent units may be required. Secondly, affordable ownership housing options such as equity co-ops may be appropriate in these situations.

Finally, providing affordable housing options through innovative financing to utilize ownership equity accompanied with home support programs could provide greater options for senior's independence (dealt with in greater detail in later sections).

Housing Types: Non-permanent Housing

While the funding priority should be for permanent housing there are needs in some communities for emergency housing and transitional housing. This raises the question of other Ministries and how they should relate to the Ministry of Housing.

AMO believes that the Ministry of Housing should be involved in non-permanent and shared housing as the lead government Ministry; in this role it would coordinate with other relevant Ministries. This lead role is discussed later in this report under the discussion of planning for housing-related community support services.

1.2 Statistical Basis for Need Determination

Information Base (1.7, 1.8, 6.3)

These questions address the need for an information base which can serve as a means of better matching need and supply.

AMO agrees with utilizing a "global" statement of need/demand through instruments such as Municipal Housing Statements (MHS). The benefit of the MHS is that it is very specific in setting targets and the survey methodology is well developed. However, the success of this approach requires that adequate funding is available for municipalities to update their Municipal Housing Statements, or, in the absence of an MHS, that there is support for community groups to document their needs. These assessments should be used in setting funding priorities within a particular market area which should be proportional to the various client needs in that area.

The consultation paper also refers to the Land Use Planning for Housing Policy Statement as a means of planning for housing by producing the necessary information base on local housing needs. In its response to the Draft Housing Policy Statement, AMO supported the need for such data bases to serve as part of a municipal housing policy statement.

However, as a principle, any sound data available should be used and accepted as a basis for allocating funding without requiring comprehensive research. For example, if a waiting list supports an application for non-profit projects then that should be sufficient without requiring costly, unnecessary and time consuming assisted housing surveys. This therefore principle also supports utilizing specific information and needs assessments by local community groups. It also recognizes that the MHS may not be sufficiently broad to encompass all needs.

1.3 The Basis of Allocation Commitment (1.5)

The issue for review is how the Ministry of Housing funds housing providers. Two solutions are suggested as possible bases for funding allocations: the total of allocations could be dollar based with the number of units determined by costs; or, the total of allocations could be based on the number of units specified with sufficient funding provided for these units.

AMO supports funding announcements based on the number of units, not dollars, in order to permit proper planning by sponsor groups, and to maintain a close tie with actual need and demand.

1.4 Administration of Funding Allocations

Planning Cycle and Funding (1.1)

Options for the planning cycle for housing expenditures are examined towards increasing the certainty and predictability in government funding over time.

AMO supports a three year planning and funding cycle in recognition of the typical planning approval schedule.

Allocation Model (1.3)

An allocation model determines how housing funds are to be distributed amongst housing providers.

In general, AMO believes that:

- Allocations should be reviewed each year to assess the likelihood of successful take-up and reallocation should occur promptly.
- New allocations should be made each year.

AMO believes the Province should support those municipalities which have demonstrated a commitment to housing through the delegation of further decision-making authority for housing. For example, the authority to allocate funding should be delegated to those upper tier municipalities which opt to be involved in housing allocations; this was discussed in the previous section on the role of municipalities.

Given this delegated authority, municipalities would then be authorized to do project-specific and bulk/reserved allocations as described below:

Project-Specific Allocations

Most unit allocations should be made to a sponsor group on a site specific basis with the assurance of availability over a three year time frame recognizing the typical planning approval schedule (as noted in the discussion of the planning cycle above). These allocations should be made on the basis of the Ministry of Housing's current practice of proposal call with evaluation of proposals received. Groups should be advised of the reasons for the rejection of their application and the prospects of future funding in order to provide some element of predictability.

Bulk or Reserved Allocations

Bulk or reserved allocations (i.e. not project specific) should be made available to accredited non-profit housing consultants (i.e. resource groups) and to sponsors with a demonstrated delivery track record and capacity for on-going delivery.

1.5 Planning for Housing-Related Community Support Services (1.9, 5.9, 5.10)

The consultation paper questions how to more effectively plan for the appropriate community services related to housing. This question acknowledges that other Ministries of the provincial government are also involved in various ways in supportive housing.

First, as stated previously, AMO believes that the Ministry of Housing should play the lead role in program delivery for all housing whether permanent, transitional or emergency housing. In this lead role the Ministry of Housing should ensure that the following objectives are met:

- Obtaining support funding from other Ministries should be coordinated by the Ministry of Housing. Groups seeking assistance should not have to approach individual Ministries. The Ministries should do this internally under the lead of the Ministry of Housing which could, for example, establish an interministerial project team to coordinate a "one-stop" project support process. The need for this interministerial coordination is emphasized below:

  - AMO recently stated its position on supportive housing to the Commission of Inquiry on Unregulated Residential Accommodation. AMO noted the lack of clear jurisdiction in roles and responsibilities between provincial ministries (specifically Ministries of Community and Social Services, Health, and Housing) and municipal governments. The results have been gaps in the provision of adequate services to individuals, no rationalization between the types of programs and funding that is available, and a lack of a variety and necessary quantity of housing alternatives. AMO has

recommended that responsibility for supportive housing services should be assigned to one lead ministry -- the Ministry of Housing -- which would then also have responsibility for coordination with other ministries; the Ministries of Health and Community and Social Services should continue to have responsibility for developing and funding support services.

- Finally, one of the best recent examples of the need for interministerial coordination is long-term care reform. AMO believes it is necessary to coordinate the development of a housing framework with the Government's proposed redirection of long-term care services. AMO has supported the inclusion of alternative forms of housing within the continuum of supportive housing from the individual's home to the long-term care institution. Forms of housing such as granny flats, home sharing and programs such as OHRP and OHRP-D support independent living for seniors and disabled adults. The provincial government's emphasis on community-based care and support to enable individuals to remain in their homes therefore requires co-ordination between these two initiatives.

- The housing project approval should occurs with support program approval.

- Capital and operating funding for "non-shelter" support services (e.g. day care, counselling) should be budgeted for and more easily available.

- Flexible funding / program delivery should be available to enable a full range of housing needs to be met and to enable innovative housing models. For example, as the paper mentions, the pilot projects for the acquisition and rehabilitation of rooming houses which involve the provision of funding for both the physical unit and support services are good examples of the benefits of a coordinated and flexible approach (the Rupert Hotel Initiative and the Ottawa Rooming House Initiative).

2 Program Delivery

Should the Province be involved in provision? (7.1, 9.1)

AMO agrees that provincial involvement in building and owning housing should only occur if there is an identified community need and no local sponsor to provide the housing. Therefore, if high need areas and groups are identified and no community-based group comes forward with a proposal, then the Province should become involved in either direct delivery or community development.

Streamlining program delivery and administration (9.4)

Options for improving program delivery and the administration of assisted housing are suggested.

As stated earlier with respect to further support to municipal involvement, AMO supports giving experienced providers greater autonomy and decision-making authority. Therefore the Association agrees with providing a list of reporting criteria that allows for flexible reporting to reflect the different levels of housing providers' experience.

AMO also supports the standardization of Ministry of Housing programs for reporting purposes.

Housing Registries (9.5)

The consultation paper questions the current system where individuals and families looking for housing do not have a single source of information about units available for occupation and the range of options they have for securing housing.

AMO supports a centralized clearing house of information which provides information about housing units by program and location.

3 Land Supply and Retention (8.2, 8.3)

Relationship to Policy Statement

As stated previously, land supply issues addressed in the consultation paper (and in the *Government Land for Housing* paper) are minor compared to the supply issues and potential related to the Land Use Planning for Housing Policy Statement. AMO would like to once again reiterate its call for further work on this issue.

Question 8.2 in the consultation paper looks at measures to reduce the cost of land, which can range from 15-60% of the total cost of a project, depending on location. Possible solutions offered to reduce this cost and AMO's response are as follows:

Land Banking Program

One method suggested is the creation of a land banking facility for housing programs to provide sufficient capital for producers to compete in the market place.

In its response to the Draft Housing Policy Statement, AMO noted that non-profit housing corporations and co-ops are currently limited in their abilities to land bank. To remedy this and in support of municipal land banking, the Association recommended amendments to housing program restrictions to allow for bridge financing for short term land banking.

Government Land for Housing

The consultation paper suggests the government should make land available that it presently owns for use by not-for-profit housing providers. This clearly overlaps with the intent and to some degree in content with the *Government Land for Housing* consultation paper, and AMO has commented on this within a separate document.

Land-in-Lieu

Developers could be asked to donate suitable land for affordable housing in lieu of selected *Planning Act* requirements.

This introduces the aspect of requiring land dedications for affordable housing or cash-in-lieu. In response to the Draft Housing Policy Statement AMO requested that the *Planning Act* be amended to provide municipalities with clear authority in this area.

Separate out Land Costs

Land costs could be separated out from the rest of the project costs with the land related allocation possibly tied to a bulk or block allocation. This would allow housing providers to acquire sites and begin the planning process.

This solution would help implement the land banking program discussed above. Also, as discussed later in this response in the section on cost control,

AMO supports this separation as it would permit better recognition of communities with higher land costs.

Land Trusts (8.3)

A land trust basically holds land and leases sites to housing providers.

For example, the City of Toronto makes municipal sites available to non-profit groups through a long-term ground lease arrangement, not outright sale and in this way operates a "municipal" land trust. At the expiry of the lease, ownership of the land reverts to the City. The Province could also operate on these terms or transfer their lands to a municipality's land trust.

AMO has no current position on community land trusts, but does support a provincial land trust mechanism to administer provincial lands supplied for non-profit housing. Whether community or provincial, the intent of a land trust should be to ensure the continued affordability of the land and permanent control of its use. This assurance should be legislated beyond the term of operating agreements covering the non-profit buildings themselves (35 years).

Also, as noted in the consultation paper, leases will be a natural consequence of land trusts. The Province should support the leasing of land held by municipalities and other charitable non-profit agencies to non-profit housing sponsors. There should be no program impediments including lending restrictions which would discourage such leases.

Site Selection, Acquisition and Procurement (8.1)

Under current programs, sites are identified by the housing provider and approved or rejected by the Ministry of Housing based on a "best-buy principle". Rather than a best buy principle, AMO agrees that groups should be allowed to select their own sites, with the main criterion that they demonstrate only marketability and justifiable price within MUP. No comparative analysis would be required, just the need to demonstrate that the site works, ie. it is affordable.

3.1 Social Housing Acquisition (4.3)

The paper questions under what circumstances should the government acquire or fund the acquisition of existing private rental stock by the not-for-profit sector.

AMO supports acquisition under the following circumstances:

- Purchase when buildings are at risk from physical deterioration or conversion to non-rental uses, and if the tenants are predominantly low income, i.e. if it is a legitimate "save" situation of an affordable rental property.

- When the potential for substantial intensification exists.

- Where there are no alternatives to meet low-income housing demand given market conditions.

AMO also supports the acquisition of existing houses for special needs groups in order to better integrate individuals in the community but believes there is first a need to look at the cost-effectiveness and building code implications which can often reinforce an institutional character. For example, sometimes a retrofit can be more expensive than design from scratch, and can also result in the appearance and design of an institution which is what was to be avoided.

However, AMO sees the potential for criteria to produce negative impacts, such as incentives to landlords to let projects deteriorate in hopes of acquisition. This issue needs to be addressed in the establishment of criteria. Finally, there is also a need to take into account locally-specific circumstances when applying the criteria.

3.2 Better Use of Existing Social Housing Sites - Intensification (4.4, 4.5)

The issue raised is to what extent and under what circumstances should intensification of OHC sites occur to increase the supply of affordable housing.

AMO agrees that:

- this should be evaluated on a case-by-case basis;
- it can be used as a means for community development to address problems in management and quality of life issues as well as the regeneration of OHC stock; and,
- intensification should be used on sites where there is adequate capacity to absorb increased densities and where intensification leads to improvements in the quality of life within these housing projects.

AMO would also like to emphasize the municipal role in land use planning, zoning, neighbourhood issues, servicing, etc. in intensification. All solutions require municipal co-operation in the zoning and servicing of higher density residential uses. Therefore, municipalities need to be involved in the planning stages to identify appropriate sites and issues.

Furthermore, adequate resources for community consultation and the community development process are required.

4 Building Quality Housing

4.1 Procurement

Procurement Technique (2.1)

The method (or procurement technique) by which a housing provider gets a building constructed or renovated should vary based on the experience and track record of the housing provider. For example, in some cases it may not be appropriate in the case of an inexperienced housing provider to utilize the "turnkey" procurement technique.

4.2 Cost Control

How to Increase Cost Effectiveness (2.2, 2.3, 7.5, 9.2)

Currently Maximum Unit Prices (MUPs) are utilized to restrict the cost of producing housing and act as a cap on non-profit development. MUPs include the maximum capital costs for a particular type of unit (highrise, townhouse, etc.) with a specified bed / bedroom count, in a particular geographic region.

AMO recommends continuation of the MUP approach but with some refinements and flexibility in order to address concerns about this method of cost control:

- MUP's need to track increasing markets more closely so as to resist pressures to reduce the quality or increase the density of non-profit housing objectionably. In its response to the Draft Housing Policy Statement, AMO recommended that MUPs should be reviewed on a regular basis and updated to be current with realistic local municipal land and building costs.

- Currently the MUP includes the various components (land, construction costs, fees, financing, etc.). The land component should be broken out separately as this would permit better recognition of communities with higher land costs (for example, the City of Toronto has requested a special inner city MUP). However, given the three year planning cycle where the land acquisition MUP would precede the building MUP, there would need to be assurances that the building MUP would support costs at a later time.

- The seniors and family MUP's should not be distinguished.

- Support service space for tenants should be funded over and above MUP's (as discussed previously).

- The creation of a pool of design consultants to ensure that housing resource groups and consultants meet licensing standards is a good idea so long as groups are not restricted to the use of such a pool.

- MUP's should be based on "typical" standards and where life cycle costing analysis or cost/benefit analysis confirms efficiency of including materials, amenities or other features, these should be permitted over and above MUP's; these issues are discussed further below in the design section.

- Cost-effective design should be rewarded through financial incentives; this doesn't happen now.

Reductions in operating costs associated with good design are merely used to offset provincial operating subsidies and cannot be invested in project improvements or programs.

4.3 Design Control

Design Standards (1.6, 2.5, 9.2)

These questions address what standards should apply to housing sponsored by the Ministry of Housing.

AMO believes the Ministry of Housing should establish minimum design standards over and above minimum code requirements. However, there should be a clear distinction between absolute requirements and guidelines.

Also, there needs to be recognition of and sensitivity to local community standards for successful neighbourhood integration. Therefore, where there is justification for exceeding minimum standards, then there should be opportunities to do so.

Finally, the costs of meeting standards should be included in the funding of housing. Also, Ministry standards and resulting MUP's should enhance life cycle costing.

Regarding housing forms, the Regional Municipality of Ottawa-Carleton has previously requested the Minister and CMHC to include granny flats as an eligible housing form under the Non-Profit and Rent Supplement Programs. While there continue to be outstanding regulatory issues related to this housing form, AMO has supported this request and believes a review of housing forms funded by these housing programs needs to be conducted.

Barrier Free Access

One provincial government priority is barrier free access which ensures access for all tenants. AMO supports the following strategies:

- Continue the current policy of creating a minimum percentage of accessible units allowed in a project and allow for more as determined by the community. However, this policy should not require the full modification of units; that is,

generic units could be designed to easily accommodate retrofits in the future. Funding could be made available through maintenance budgets for retrofits for accessibility based on need. It is better to meet needs this way rather than through the creation of units prior to the demonstration of need. This would address the problem of a mismatch between needs and unit designs.

- Ensure that all common areas and entrances of a project are barrier free for all current and potential tenants.

- Include in the technical guidelines models and information on design specifications for accommodating access by deaf and blind persons.

Environmental Initiatives

Numerous environmental initiatives are suggested in the consultation paper to address the government's environmental and energy efficiency priorities.

AMO believes that innovations with cost exceeding MUPS should be permitted where consistent with other provincial objectives (ie. use of recycled materials in construction, new technology demonstration). For example, the City of Toronto has referred to this as a "green" MUP; a more flexible MUP which would take into account higher capital costs associated with energy efficient heating/cooling systems (recognizing that these are offset by lower annual operating costs), energy efficient design, environmental initiatives (such as design for on-site recycling) as well as costs of environmental remediation.

4.4 Resident Involvement In Design (2.6, 3.2, 7.6)

Throughout the consultation paper numerous strategies are suggested for including tenants in the planning and development of not-for-profit housing. In response AMO submits the following principles and concerns:

- Participation in design should be encouraged but it should be noted that residents and the whole client make-up will change over time. This is critical in special needs housing. However, it

must be acknowledged that this is an issue with or without resident involvement. Therefore, in either case, housing providers need to maintain flexibility in the design of housing in order to serve the needs of future users.

- All of the solutions point to the need for additional resources to achieve future resident input. It will cost time and money to involve future residents, resulting in increased overhead and increased architectural fees if consultants are involved. Therefore, if this to be a regular feature of the development process then the Ministry should be prepared to recognize and reimburse the extra costs (e.g. make it an eligible cost for start-up funding or as "soft costs" on the project capital budget). Finally, this must also recognize the time commitment which will be required of future residents.

- AMO suggests looking at post occupancy surveys of residents and staff in representative forms of housing as one additional means of determining what works or does not work. This detailed information could then be given to housing sponsors.

- Input from staff of existing projects, from management to maintenance, should also be included.

- Finally, AMO believes that the form of resident involvement should not be legislated but should be supported and opportunities for this provided. This will acknowledge that different ways of achieving tenant involvement may be appropriate under different circumstances.

5 Managing Quality Housing

5.1 Cost-effective Maintenance and Operation (3.4)

Several measures to achieve cost efficiency in the maintenance and operation of non-profit housing are suggested.

Funding Capital Replacement Costs (3.3)

Currently non-profits and co-ops utilize replacement reserves to fund capital replacement or utilize assistance on an as-required basis from the Ministry's Modernization, Improvement and Regeneration Fund (for non-profits only).

One problem identified with this method is that, despite good maintenance practices, emergency or unplanned capital expenditures can arise or reserves can be exhausted because the contribution is fixed while costs increase.

The solutions identified in the paper are to increase replacement reserves; or, centralize replacement reserves (with each non-profit maintaining control over expenditure of its share or the sector assuming the full responsibility).

AMO recommends the establishment of firm replacement reserve policies based on the proper analysis of long-term costs which should be updated regularly. This system is imperative to achieve reasonable autonomy and for the assurance that the maintenance of a project's quality will not depend on the whims and financial priorities of future governments.

5.2 Management Practices

The consultation paper looks at management practices towards identifying ways of reducing the on-going operating costs of non-profit and co-operative housing. AMO supports the following:

Portfolio Management

- AMO agrees with allowing portfolio management to achieve cost savings in larger portfolios (e.g. through consolidated reporting, and the consolidated replacement of management reserves). Portfolio management should also extend across program lines.

- AMO also agrees with varying reporting requirements and budgetary authority according to the experience and demonstrated expertise of the housing provider.

Incentives for Cost Efficiency

- As discussed in the section on cost control, AMO believes that administration recoveries should not be tied to operating costs, which provides a disincentive for cost efficiency.
- Incentives should be provided to look for cost savings achieved through retrofits (e.g., energy conservation) or systems improvements.

Training and On-Going Education

AMO believes the following initiatives should be considered towards achieving the better management of non-profit housing:

- Provide programs in support of training and education for residents, management staff, and Boards of Directors to support the forms of participation in management that the housing framework is suggesting (discussed in next section).

Staff Training

- Establish specialized accreditation for property managers and ensure courses are available through colleges, ONPHA and CHAO.
- Create apprenticeship/mentor programs sending trainee staff to experienced owners, with enhanced overhead funding for sponsors.

5.3 Resident Involvement in Management (3.2, 7.7)

These questions address what forms of resident participation in the ongoing management of a non-profit housing project are appropriate.

AMO believes that:

Models

- The Ministry of Housing should describe detailed models for resident participation and make these available to housing providers.

Flexibility

- The form of resident involvement should not be legislated in acknowledgement of the different ways of achieving tenant involvement which may be appropriate under different circumstances.

- There needs to be recognition that the willingness and ability of tenants to participate will vary amongst both tenants and providers; therefore, flexibility in providing mechanisms for tenant participation is essential including involvement in property management activities and/or Boards of Directors.

- In sum, it should be sufficient to require sponsors to address the form of tenant participation in their management plans.

Cost

- Again, as stated above regarding input in design, additional funding would be necessary to implement any form / model of resident involvement. The Ministry should recognize that the more comprehensive the level of tenant participation the more expensive the support required by the sponsor.

Tenant Input and Expectations

- Tenants should not be forced or required to participate in management; some prefer just to pay their rent in return for their housing.

- Residents need to feel that their input can have a predictable impact upon property management therefore, there needs to be clear procedures for tenants to forward recommendations or concerns.

- Client groups and individual preference vary so much that a consistently applied resident participation model is impractical and would be seen by many residents themselves as intrusive and paternalistic.

5.4 Security of Tenure (3.6)

The consultation paper asks how the security of tenure of co-op members and non-profit residents can be enhanced. The paper describes the current system whereby co-ops can opt out of Part IV of the *Landlord and Tenant Act* as long as they have comparable bylaws which include grounds for eviction and an internal process for notices of the breach of the bylaws, etc. Some persons in "second stage" housing are required to

have occupancy contracts which govern the rights and obligations between the residents and the provider. The paper suggests solutions such as maintaining the current system or putting all housing under the *Landlord and Tenant Act*.

AMO believes that:

- There exists much confusion about the coverage of units by the *Landlord and Tenant Act* and therefore the provincial government needs to first clarify the status and application of the *Act*.
- There should be a review of additional special provisions in the *Landlord and Tenant Act* for non-profit housing, such as current provisions for the false declaration of income.
- AMO supports he continuation of the current system of licence agreements for "second stage" housing. However, the legitimate role of transitional and special needs housing should be recognized and the ambiguity in their legal treatment clarified with either special provisions in the *Act* or clear "licence" models and procedures established for owners to follow.

6 Access to Housing

Who should be housed (5.1, 5.2, 5.5, 5.6, 5.7, 5.10)

The paper asks who should be eligible to live in assisted housing, what should be the appropriate income mix and in what ways should targeting plans be made more flexible.

AMO supports the following:

- Eligibility should be based on need.
- The majority of residents should be in "core need" (ie. rent-geared-to-income/RGI), although some refinements or core need cut-off may be in order.
- A minimum "deep core" component should be included and this should be the same for all (municipal non-profit, private non-profit and co-op), but the criteria for deep core should be revised to encompass more "working poor" (e.g.,

raise income cut-offs; make adjustments to the calculation of income and thereby broaden eligibility in this category).

- The present flexibility to set targeting plans subject to minimum core need levels, should be retained.

- A market component in many projects is essential.

- Market rents should be deliberately set low, in conjunction with income controls imposed on entry, so as to avoid direct competition with the private sector and to serve people unable to access private housing.

- Income controls should not be imposed at the expense of vacancies and should account for different circumstances, such as "special needs" or pure supply problems in rural areas.

- Surcharges should be permitted for market tenants whose incomes increase substantially, but more research is required to determine cost-effective administration methods which will not impede rental efforts.

- AMO supports in principle access for special needs clients where sufficient needs exist. A minimum percentage of units should be reserved for clients with special needs.

Tenant Selection Administration (5.2 - 5.9)

Under the Ministry's referral policy, non-profit providers are required to fill at least half of their required units for "core need" from the neediest applicants on the Local Housing Authority (LHA) waiting list. The consultation paper questions whether non-profit housing providers should have a choice of needy applicants referred from the LHA.

AMO believes that:

- All deep core residents, up to the minimum required component, should be selected from LHA or joint housing list referrals with no rejections permitted without clearly stated reasons.

- LHA's need to improve how they relate to and deal with the non-profit housing sector; changes in their existing procedures need to be discussed and rectified with the sector.

- Complete flexibility to select all other residents should be available, so long as no inappropriate or illegal discrimination is used. However, there should be guidelines to explain what is and is not permissible; these guidelines will need regular updating in view of human rights rulings.

- The current point rating system should be revised to provide for some accounting of the length of time an applicant has been on a waiting list. The system should therefore combine an applicant's need and length of time on the waiting list.

- Owners should be able to exclude people with unsatisfactory tenant histories, so long as formal policies are in place for doing so and appeal procedures are available and made known to the applicant.

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Appendix A - Review of Existing Rehabilitation Programs

Throughout the consultation paper, *A Housing Framework for Ontario*, the importance of the existing housing stock is stressed, however little attention is actually spent addressing either new or existing rehabilitation or maintenance programs. The following discussion summarizes some of the issues and concerns about these existing programs and highlights the need for a review of the guidelines and delivery of these programs to ensure the viability of the existing housing stock.

It is important to also acknowledge the relationship between these programs and the provincial government's support for the principle of independent community living for seniors and physically disabled through the development of creative community-based service and housing options. Part of the supports required to enable seniors to stay in their homes include assistance in the maintenance and rehabilitation of their houses. The Province already has programs in place which provide for this assistance, as well as supporting the maintenance of the older existing housing stock in general. However, these programs need to be reviewed in order to ensure that their objectives are being fulfilled and that their guidelines are appropriate.

Two programs which should be enhanced both in terms of additional funding and eligibility criteria are the Ontario Home Renewal Program (OHRP) and the Ontario Home Renewal Program-Disabled (OHRP-D).

OHRP

OHRP was first announced and funded in 1974. The Program provided grants and low interest loans to owner occupants for rehabilitation. The work eligible for funding was based on municipal property standards bylaws with the goal to maintain the useful life of the home for an additional 15 years. The owner, to be eligible, had to meet a means test. The Program was administered by municipalities with a percentage of the total cost of the rehabilitation forming the agency fee. From 1974 - 1984, thousands of properties throughout Ontario were improved.

As part of the terms of the Program, the municipality was required to establish Trust Funds for the repayment portion of the loans. The Trust Funds

were to be used for the continuance of the Program once capital funding was no longer provided by the Province.

The Program was designed initially to address the needs of all homeowners on fixed or reduced incomes. However, in many cases, seniors derived the greatest benefit from the Program as they were eligible for the maximum combination of grant and loan. While most seniors have mortgage free properties, some do require extra help in maintaining their homes. Because seniors have occupied their homes for a long period, the homes are often in need of major capital expenditures including the renewing of heating plants, updating of the wiring, new plumbing and roof replacement.

In many cases, seniors can afford the maintenance costs but they do not have the capital necessary to undertake major repairs. They also are reluctant to borrow from banks and banks are reluctant to lend because of lack of adequate cash flow. The OHRP Program therefore addressed this need and not only did it provide the necessary capital but it also provided the necessary expertise to ensure that work was done according to relevant codes and at costs competitive in the market place.

The provincial cost of implementing the Program was approximately 20 million dollars per year. Although the cost of refinancing the Program has increased, the benefits still far exceed the costs.

The Program was very successful for approximately ten years, however since that time inaction by the provincial government has made the Program ineffective. Notwithstanding that the Government has not provided new funding for almost 10 years, there are still many municipalities with funds available for recycling funds yet they do not have the ability to use these funds. The problem is that the Program guidelines have not been changed for so many years that few owners are eligible. At present, to be eligible for a grant of $4,000 an applicant must have an income of less than $11,000. At present a single senior with modest pensions exceeds this while the costs of rehabilitation still remain beyond their financial capabilities. If an applicant's income exceeds $16,000 they are not eligible for a grant but can receive a loan at 10%. If an applicant's income exceeds $21,000 then

they are not eligible for any assistance. The Government therefore must take some initiative to change the guidelines if only to allow municipalities with recyclable funds the opportunity to continue to implement the Program.

The Ontario Home Renewal Program has the potential to meet present provincial goals but the Program must be updated and new money provided. In summary the Program provides:

(1) funding for the older housing stock;
(2) allows for the opportunity for long time residents to stay in their homes by providing necessary capital and the associated expertise required to undertake work;
(3) the Program costs are minimal to the Province;
(4) work done under the Program is labour intensive thus stimulating housing activity; and,
(5) the Program guidelines and mechanisms to implement it are already in place.

OHRP-D

The Ontario Home Renewal Program - Disabled was implemented in 1986 as an addition to the OHRP Program. The Program has demonstrated that there is a tremendous need for funding adaptation work in single family homes. The main problem at present is that the funding is limited while demand continues to increase. The eligibility guidelines are generous, however this has caused a high volume of applications and new funds must be found if expectations from homeowners and professionals are to be met.

This Program, while providing the opportunity for the disabled to stay in their homes by providing funds for modifications, does not address the issue of substandard housing. This is another reason why the OHRP Program must be updated.

LRRP

The Province also has two important programs for the creation and rehabilitation of affordable rental units. The provincial government's Low Rise Rehabilitation Program (LRRP) provides the necessary financial incentive for landlords to rehabilitate the older rental stock. The rehabilitation work eligible for funding requires municipal involvement with respect to inspections and the monitoring of work. Work eligible

for funding is that needed to comply with municipal property standards bylaws. This protects the tenants from unnecessary capital improvements while protecting the integrity of the building.

The Program guidelines are, in most cases, adequate to meet the needs of the target group but additional capital funding must be found in order for the Program to continue. The continuance is especially important in view of the new Rent Control legislation as capital improvement pass-throughs under the *Act* are limited. The Government also needs to consider at least a three year commitment to the Program in order for municipalities to develop delivery strategies as well as confidence in the market place. The rooming house component of the Program is again adequate but needs to be expanded to include all forms of "temporary" shelter.

The Disabled provision of the Low Rise Rehabilitation Program does not provide the necessary capital funding for adaptation work. The additional $5,000 provides, at best, access to the unit but does not provide much help in the way of specific renovations. Unfortunately, there is little or no incentive for a landlord to undertake the modifications because of the cost and lack of assurances of continued tenure by the tenant. Once the disabled person leaves the unit, the renovations become a negative to renting the unit unless a person with similar disabilities can be found. This aspect of the Program should be revised to determine if enrichment is not only possible but practical.

Convert-to-Rent

The second program which impacts greatly on the affordable rental market is the Convert-to-Rent Program. This Program appears to complement the major housing goals of the current government yet the Program funding has virtually been eliminated by withholding any new funding for the Program. The Program provides assistance in the form of repayable loans to owners to create new self-contained rental units in areas which were traditionally reserved for other uses. This has encouraged both intensification and infill. The new rental housing created was in almost all cases affordable as the sites eligible usually were located in low to moderate income neighbourhoods.

There were some administrative delivery problems with the Program, but some of these have been addressed through direct municipal delivery rather than the original concept of delivery by the local offices of the Ministry of Housing. The Province should consider refunding the Program and encourage more municipalities to undertake delivery. This would encourage "one stop shopping" at the municipal level and help ensure all pertinent codes and by-laws are met. Municipal delivery would also help the paper flow as municipal concerns would be addressed before Ministry approval was obtained. This was a major problem in larger municipalities where several departments could be involved in the redevelopment process.

Recommendation

In summary, AMO believes that existing programs, with some refinements, can address the needs of the existing housing stock (rental or owner occupied). AMO would also like the opportunity to discuss with the Province ways to revise the guidelines and improve the implementation of these programs so that needs of the target groups can be addressed. AMO believes that the delivery expertise of Ontario's municipalities in these programs should be acknowledged and utilized in the review of these existing programs.

Appendix B - Acknowledgements

AMO would like to thank the following members of the AMO Housing Task Force for their work and contribution in the preparation of this response:

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